



March 8, 2011

Co-Chair John Fonfara  
Co-Chair Vickie Nardello  
Senator Kevin D. Witkos  
Representative Laura Hoydick

Energy Committee:

We are submitting testimony concerning section 5 of H.B. 6544, AN ACT CONCERNING ENERGY EFFICIENCY.

The Independent Connecticut Petroleum Association (ICPA) represents 576 petroleum marketers and their associated business in Connecticut. ICPA members employ over 13,000 people in our state and provide 682,000 Connecticut residences with 500 million gallons of heating oil each year.

The heating oil industry has worked with this committee in the past to establish market based incentives that would lead to energy efficacy upgrades. Under the Energy Committees leadership we created the first oil heat conservation fund in America. In addition to the oil conservation fund, we have worked on legislation that would create loan programs that would give consumers incentive to proactively replace inefficient heating systems.

30 years ago the average home used 1,200 gallons of heating oil per year. Today, through new technology and highly skilled technicians, consumption is approximately 700 gallons per year. This statistic demonstrates the heating oil industries commitment to energy efficiency and saving consumers money.

Section 5 of H.B. 6544 would allow municipalities to require all new residential construction of three stories or less to meet federal Energy Star Qualified Home Standards. While we understand the intention of this language, we are concerned about the challenge that contractors would face when marketing new equipment to consumers.

A potential patch work of different standards from one municipality to another would present confusion among consumers. For example, if a contractor runs an advertisement in a local newspaper or online, and a consumer in a municipality that requires Energy Star Qualified Home Standards wants to purchase the non-qualified equipment, they will not be able to. This could possibly lead to consumers seeking installation of heating equipment by nefarious contractors without obtaining permits to avoid the Energy Star Qualified Home Standards requirement.

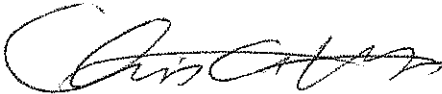
Today, licensed HVAC contractors work with their customers to determine what heating system can maximize efficiency while still fitting into the homeowners' budget. Section 5 may have the unintended consequence of being a disincentive to upgrade a heating system, because it may require the instillation of equipment that is not within the purchaser's budget. While HVAC professionals work to install the highest efficiency equipment, the reality is not everyone can afford it.

Upgrading old inefficient heating equipment to new "higher" efficiency equipment that does not meet the Energy Star Qualified Home Standards can still result in considerable savings. Unfortunately the cost of the equipment ultimately drives the decision to upgrade to the highest efficiency equipment available or not.

Incentive programs are a more effective tool to upgrade to the highest efficiency equipment that fits into a consumer's budget – not artificial mandates by municipalities.

ICPA looks forward to working with this committee to find incentives that trigger proactive upgrades of HVAC equipment that will allow homeowners the flexibility to make decisions that work best for them.

Respectfully,

A handwritten signature in black ink, appearing to read 'Christian A. Herb', written in a cursive style.

Christian A. Herb  
Vice President